

109TH CONGRESS  
1ST SESSION

# S. RES. 88

Designating April 2005 as “Financial Literacy Month”.

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## IN THE SENATE OF THE UNITED STATES

MARCH 17, 2005

Mr. AKAKA (for himself, Mr. SARBANES, Mr. CORZINE, Mr. BAUCUS, Mr. COCHRAN, Mr. CRAPO, Mr. DODD, Mr. DURBIN, Mr. INOUE, Mr. JOHNSON, Mr. KENNEDY, Mr. KOHL, Ms. LANDRIEU, Mr. LAUTENBERG, Mr. LEVIN, Mrs. LINCOLN, Mrs. MURRAY, Mr. PRYOR, Mr. SANTORUM, Mr. SCHUMER, Ms. STABENOW, and Mr. THOMAS) submitted the following resolution; which was considered and agreed to

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## RESOLUTION

Designating April 2005 as “Financial Literacy Month”.

Whereas at the end of 2004, Americans carried 657,000,000 bank credit cards, 228,000,000 debit cards, and 550,000,000 retail credit cards;

Whereas based on the number of total United States households, there are now 6.3 bank credit cards, 2.2 debit cards, and 6.4 retail credit cards per household;

Whereas Americans consumer credit debt continues to increase, and has reached a level of in excess of \$2,100,000,000,000 as of year end 2004, of which \$791,000,000,000 is revolving consumer credit;

Whereas a United States Public Interest Research Group and Consumer Federation of America analysis of Federal Reserve data indicates that the average household with debt carries approximately \$10,000 to \$12,000 in total revolving debt;

Whereas Americans owe \$766,200,000,000 on home equity loans and lines of credit, more than twice as much as in 1998;

Whereas Americans converted \$41,000,000,000 in real estate equity into spendable cash in the third quarter of 2004 alone;

Whereas the current level of personal savings as a percentage of personal income is at one of the lowest levels in history, 2 percent, a decline from 7.5 percent in the early 1980s;

Whereas through November 2004, 1,869,343 individuals filed for bankruptcy;

Whereas a 2002 Retirement Confidence Survey found that only 32 percent of workers surveyed have calculated how much money they will need to save for retirement;

Whereas only 30 percent of those surveyed in a 2003 Employee Benefit Trend Study are confident in their ability to make the right financial decisions for themselves and their families, and 25 percent have done no specific financial planning;

Whereas approximately 10 percent of individual households remain unbanked, i.e., not using mainstream, insured financial institutions;

Whereas expanding access to the mainstream financial system provides individuals with lower cost, safer options for managing their finances and building wealth;

Whereas a greater understanding and familiarity with financial markets and institutions will lead to increased economic activity and growth;

Whereas financial literacy empowers individuals to make wise financial decisions and reduces the confusion of an increasingly complex economy;

Whereas the Spring 2004 Student Monitor Financial Services Survey found that 46 percent of college students have a general purpose credit card in their own name and 37 percent carry over a credit card balance from month to month;

Whereas 45 percent of college students are in credit card debt, with the average debt being \$3,066;

Whereas only 26 percent of 13- to 21-year-olds reported that their parents actively taught them how to manage money;

Whereas a 2004 study by the Jump\$tart Coalition for Personal Financial Literacy found an increase in high school seniors' scores on an exam about credit cards, retirement funds, insurance, and other personal finance basics for the first time since 1997; however, 65 percent of students still failed the exam;

Whereas a 2004 survey of States by the National Council on Economic Education found that 49 States include economics, and 38 States include personal finance, in their elementary and secondary education standards, up from 48 States and 31 States, respectively, in 2002;

Whereas personal financial management skills and life-long habits develop during childhood;

Whereas personal financial education is essential to ensure that individuals are prepared to manage money, credit, and debt, and become responsible workers, heads of

households, investors, entrepreneurs, business leaders,  
and citizens; and

Whereas Congress found it important enough to ensure co-  
ordination of Federal financial literacy efforts and formu-  
late a national strategy that it established the Financial  
Literacy and Education Commission in 2003 and des-  
ignated the Office of Financial Education of the Depart-  
ment of the Treasury to provide support for the Commis-  
sion: Now, therefore, be it

1       *Resolved*, That the Senate—

2               (1) designates April 2005 as “Financial Lit-  
3       eracy Month” to raise public awareness about the  
4       importance of financial education in the United  
5       States and the serious consequences that may be as-  
6       sociated with a lack of understanding about personal  
7       finances; and

8               (2) calls on the Federal Government, States, lo-  
9       calities, schools, nonprofit organizations, businesses,  
10      and the people of the United States to observe the  
11      month with appropriate programs and activities.

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